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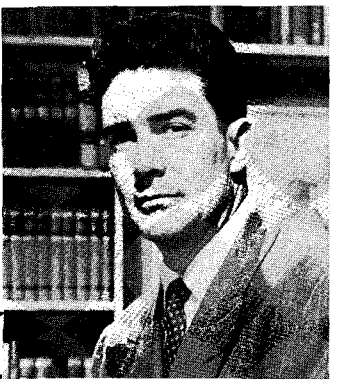

DAN SMOOT

URBAN RENEWAL AND A SOVIET AMERICA— PART II

Urban renewal is a federally financed program of city planning which requires city governments to seize homes and other private property (not just slums, but *all* property in whole sections). After the property is cleared of all buildings (at taxpayers' expense) it is resold (at below the cost of acquisition) to private interests for developments that the city planners consider desirable.

The whole program is, of course, unconstitutional, because the Tenth Amendment clearly prohibits the federal government from engaging in activities not authorized by the Constitution. Nothing in the Constitution authorizes the federal government to engage in housing activities, money-lending, slum clearance, or city planning.

An American's home is supposed to be his castle. A substantial portion of the Constitution is devoted to the specific aim of protecting citizens in their right to own property and to be secure in the ownership and use of it.

Urban Renewal ignores all of those constitutional protections. If you happen to live in a pleasant, well-kept residential neighborhood, which city planners think should be wiped out and rebuilt, the city government can condemn the whole neighborhood and convert it into a public park, or sell it to some out-of-town developer who promises to put up buildings which the official planners will like.

How Urban Renewal Works

When city planners decide that they would like to tear down everything in a whole section of the city and redesign it to suit their taste, they can get tax money out of the federal treasury for the scheme, but they must observe certain formalities.

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First of all, the planners must present the federal Urban Renewal Administration plans for a Workable Program. This is a phrase of the Washington bureaucracy, meaning an urban renewal project which meets all specifications of the federal agencies, and is pleasing in the sight of the agency officials.

This could be a big hurdle. How can lesser planners in back-country cities draw up something to satisfy the Great Planners in Washington? Where will they get the money for working out their plans? The Urban Renewal Administration will advance funds to pay for surveys and planning work necessary to draw up the Workable Program. Some of the federal advances for this initial survey-and-planning job run into hundreds of thousands of dollars. The advance is part of the gross amount that the city fathers can get for their project.

After the Workable Program has been presented to Washington officials and approved, the city government gets tax money from the federal treasury to buy all property in the project area. If any citizens refuse to sell, the city government condemns their property and forces them to sell.

The wholesale evictions of people from an urban renewal area often leave many families without a place to live, and business firms without a place of business. The city government can get, from the federal treasury, $100.00 to pay the moving expenses of each displaced person, and $2500.00 for the moving expenses of each displaced business firm.

If there is no housing available for persons evicted from an urban renewal area, the city can get tax money from the national treasury to build "low-rent" public housing. It is called "low-rent," because the persons living in it do not pay much rent. The federal government provides an annual subsidy to operate "low-rent" public housing projects. The projects could accurately be called "very high rent" housing, if the rent which tenants pay were added to the "rent" which all taxpayers pay on each public housing project — in the form of federal subsidies to meet the cost of operation.

A business firm evicted from an urban renewal project can usually get loans through some federal agency to acquire new quarters elsewhere.

Once human beings are removed from an urban renewal project, the city uses U. S. tax money to demolish and remove everything else — leaving the project area naked and ready for a fresh start.

The city sells the entire project area to private developers who promise to build in compliance with specifications of the Workable Program. Often, the area is sold in one piece to one buyer. This generally means that only big real estate operators or syndicates can buy. It follows that many (if not most) major urban renewal projects are developed by big firms or syndicates which specialize in buying and developing "urban renewed" land.

The private firms which buy the cleared urban renewal project land can get U. S. tax money, from federal lending agencies, to do the developing. But the land and the developments are *theirs* — to be used for their private profit, under certain provisos. Here are controls imposed on private developers of urban renewal projects:

(1) They must build something that conforms with the planners' dreams as revealed in the Workable Programs.

(2) They must abide by whatever federal requirements may be made under the terms of Section 106 (c) (7) of the Housing Act of 1949, as Amended, which provides that the Urban Renewal Administrator: "notwithstanding the provisions of any other law, may . . . include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions . . . as he may deem necessary."

(3) They must comply with Section 109 (a) of the federal housing law, which contains the Davis-Bacon Act provision that the Secretary of Labor has absolute power to set wage scales for all work connected with a federally-financed urban renewal project. This is a law which union bosses lobbied through Congress. Its purpose is to force private contractors (when using federal tax money) to

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hire union labor, or, at least, to pay whatever wages union bosses want paid — regardless of local conditions and wage-scales.

(4) Private developers of federally financed urban renewal projects must comply with President Kennedy's ukase about "no racial discrimination."[1]

Apart from these political restrictions, the private developers who buy land confiscated from other private owners in an urban renewal area, and develop the land with federal tax money, enjoy ownership of the development.

Urban Renewal Land Deals

The major burden to taxpayers, in an urban renewal project, is the net cost of acquiring and clearing the land.

Urban renewal generally involves land close to downtown, where congestion and commercial and industrial development have pushed real estate prices to great heights. The cost of acquiring such land — and of removing the structures on it — is said to be too great for private developers. This means that the project is economically unsound, and must be subsidized by taxpayers. The federal government, therefore, bears most of the net cost of land acquisition and clearance (usually, two-thirds; but often more).

Net cost is the amount the city government loses on urban renewal real estate deals. The city buys real estate at high prices; spends a great deal to have the land cleared; and then sells the land to private developers for a low price.

A few statistics will serve to indicate just how heavy a burden this urban renewal "net cost" is, on taxpayers:

In Baltimore, land for urban renewal was acquired for $1,444,155.00. After it was cleared and ready for re-development, it was sold to private developers for $300,000.00 — a net loss to U. S. taxpayers of $1,144,155.00.

In Jersey City, land acquired for urban renewal cost $3,966,785.00. After it was cleared, it was sold for $850,000.00 — a net loss to U. S. taxpayers of $3,116,785.00.

In New York City, land for 10 urban renewal projects, which cost $82,199,479.00, was sold to private buyers for $25,652,107.00 — a net loss to U. S. taxpayers of $56,547,372.00.

In Philadelphia, land for 2 urban renewal projects cost $1,514,994.00, but was resold for $276,074.00 — a net loss of $1,238,920.00.

The net loss to taxpayers on urban renewal land deals in these particular projects, in four cities, was 62 million, 47 thousand, 232 dollars ($62,047,232.00).

These statistics do not, by any means, reveal the total net loss to taxpayers on the land deals involved. The statistics do not include the enormous cost of clearing the land, before it was resold for redevelopment — or the cost of legal fees involved in condemnation proceedings; and so on.

The statistics cited above are from a letter which the Urban Renewal Administration wrote to United States Representative Bruce Alger on May 1, 1956; hence, they reflect urban renewal activities during the *infancy* of the urban renewal program.

Just the Beginning

Urban renewal with federal tax money was provided for in the National Housing Act of 1949, and enlarged in scope by the Housing Act of 1954. It was sanctioned by a Supreme Court decision in 1954; but it did not become a vigorously promoted nationwide program until 1957, when the invisible government network initiated an all-out propaganda drive to sell the urban renewal idea to the nation — as discussed in this *Report*, last week.

By the time President Eisenhower left office, urban renewal had become a *major* national movement. But President Kennedy said the program had to be expanded. In his first housing message, March 9, 1961, President Kennedy said:

"Urban renewal programs to date have been too narrow to cope effectively with the basic problems facing older cities. We must do more than concern ourselves with bad housing — we must reshape our cities into

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effective nerve centers for expanding metropolitan areas. Our urban renewal efforts must be substantially reoriented from slum clearance and slum prevention into positive programs for economic and social regeneration....

"This program, if it is to be truly effective, must help local communities go beyond the project-by-project approach. I have instructed the Administrator of the Housing and Home Finance Agency to work with the local officials in every area to foster this broader approach, in which individual projects will be developed within the framework of an over-all community program, a program which clearly identifies the city's long term renewal needs and opportunities and the changing shape of the city....

"Local communities must be able to count on adequate and continuing support through a long-term Federal commitment. I therefore recommend to the Congress that new authorizations totaling $2,500,000,000.00 over a 4-year period be made available for urban renewal programs. . . ."[2]

Congress gave the President more than he asked. The Housing Act of 1961 (signed into law on June 30, 1961) will cost U. S. taxpayers more than 9 billion dollars.[3]

Urban Renewal for the World

The 9-billion-dollar housing and urban renewal programs authorized in the Housing Act of 1961 were for the United States only. In the Foreign Assistance Act of 1961, Congress expanded our urban renewal and housing for foreign countries — to be paid for by United States taxpayers.

But even bigger programs are being planned. On February 25, 1962, *The New York Times* reported:

"An international group of housing experts has advised governments to set up federal agencies for housing and urban affairs. . . .

"The ten [United Nations] specialists, who have spent the last two weeks appraising world housing needs proposed that in each country a central ministry should help formulate urban development.

"It was suggested that such an agency concern itself with such problems as transportation, location of industry, water supply, land use, health, and recreation. Appropriate local machinery also was recommended.

"The group said further that one way of aiding housing developments would be to establish a United Nations fund or pool of equipment and technical services. Member states under a General Assembly resolution would be invited to supply funds, equipment, materials and services for pilot projects in low-cost housing.

"Another indirect help would be to have the United Nations increase the supply of international funds for housing and urban development. This would be done through a fund providing mortgage insurance for investment in housing in developing countries of Asia, Africa and Latin America.

"By 1965, it was estimated, 24,000,000 dwellings will be needed annually to house the rising population in the developing area. . . ."

The United Nations *assesses* the United States for almost one-third of all UN administrative costs. But UN aid programs (such as the proposed housing and urban renewal programs) are financed by *voluntary* contributions from member nations. Most of the voluntary contributions come from the United States. Most other UN members which contribute to UN aid programs get more than enough direct aid from the United States to offset their UN contributions. So, whatever the UN may do, in the way of urban renewal and housing for the world, will be paid for, in large part, by U. S. taxpayers.

The United States is also planning enlarged foreign urban renewal and housing programs, on its own. On October 4, 1962, Senator John J. Sparkman (Democrat, Alabama) told Congress:

"I want to bring to the attention of the Senate plans that the subcommittee . . . has to study our Government's programs of assisting foreign underdeveloped countries in housing and urban development activities. Although we already have several programs started, I feel there is a great deal more that can be done. . . .

"In order to explore this more fully, during the recess period, papers will be solicited from specialists in the field of international housing and planning on a variety of subjects such as

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urban planning, development of new construction materials, improved building techniques, home financing, self-help housing techniques, cooperative housing, slum clearance, and savings and loan and other thrift systems."[4]

Metropolitan Government

In his housing message to Congress, on March 9, 1961, President Kennedy complained that urban renewal programs had been too narrow. He meant *narrow*, not only in volume, but in purpose. The President said:

"The city and its suburbs are interdependent parts of a single community, bound together by the web of transportation and other public facilities and by common economic interests. Bold programs in individual jurisdictions are no longer enough. Increasingly, community development must be a cooperative venture toward the common goals of the metropolitan region as a whole.

"This requires the establishment of an effective and comprehensive planning process in each metropolitan area embracing all major activities, both public and private, which shape the community. . . . I recommend therefore the enactment of an extended and improved program of Federal aid to urban and metropolitan planning."[2]

The President's dialectics are an argument for the necessity of metropolitan government which would destroy the whole fabric of government and social organization in the United States.

The planners have a vision of a new kind of America. The old federation of states, held together in union by a federal government of carefully limited powers, will be gradually changed into a nation governed by a centralized absolutism in Washington.

For administrative purposes, this new America will be divided, geographically, into urban-rural (or metropolitan) areas, which sprawl across forgotten and meaningless state boundary lines. Each metropolitan area will be managed by an appointed expert.

In this new America, there will no longer be troublesome resistance to local taxes for local improvements, because there will not be any such taxation. All taxes will be levied by the central government in Washington, and then distributed to the metropolitan managers. This method of taxation will give additional strength to the central government, because it will make the metropolitan governing bodies answerable, not to the local people governed, but to the supreme political power in Washington.

Federally financed urban renewal is an important (perhaps the most important) part of an overall drive for such metropolitan government in America. The Metropolitan America thus emerging is strikingly similar to the Soviet America which communist William Z. Foster predicted and demanded, in his book, *Toward Soviet America*, published in 1932.

Communist Manifesto

Federally financed urban renewal is also helping to fulfill the demands of another communist far more important than William Z. Foster. In 1848, Karl Marx wrote *The Communist Manifesto*. He outlined a 10-point program for eliminating capitalism and establishing communism. Here is Point 9 in the *Manifesto:*

"Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of population over the country."[5]

Compare this point in *The Communist Manifesto* with a proposal formally made by former United States Representative Thomas F. Johnson (new frontier Democrat from Maryland, now under indictment for conspiracy and conflict of interest). Mr. Johnson is so enamored of *urban* renewal that he wants the federal government to undertake a program of *rural* renewal. Here is how the Tulsa *Tribune* described a Bill, introduced by Representative Johnson, to create a federal rural renewal commission:

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"This commission would be charged with (1) encouraging an 'orderly diminution' in the number of farmers; (2) halting the exodus of rural folks to the already-overcrowded cities; (3) repairing, rebuilding or replacing homes, business buildings and other property which have deteriorated because of depressed rural conditions.

"Additionally, the commission would consider requiring part of each defense contract to be undertaken in rural areas, so our defense plants wouldn't all be wiped out in a nuclear attack."[6]

Crime and Delinquency

Many Americans think of urban renewal as slum clearance. They believe that government *can* eliminate slums, and that elimination of slums *will* virtually abolish crime and juvenile delinquency.

Although most of them do not realize it, Americans who have this viewpoint have accepted a central proposition in the dialectical materialism of communism: namely, that people are animals, shaped and controlled by their material environment.

The truth is that slums do not breed crime and juvenile delinquency. It is the other way around. People make slums. Slums do not make people. If you tore down all old houses in America; replaced them with luxury homes and apartments; gave those luxury dwellings to criminals, juvenile delinquents, bums, and improvident, lazy ne'er-do-wells; and provided the occupants with lavish pensions — the places would soon be slums.

Billions of tax dollars have been spent on public housing and federal urban renewal in America. In support of every one of the thousands of such projects, the same argument was used: eliminate the slums and you will eliminate the causes of crime and juvenile delinquency. Put up something that looks good and the people will be good.

But the public housing projects of America have not eliminated any crime or juvenile delinquency. On the contrary, many have become concentration centers for criminals and juvenile delinquents.

The March 20, 1954, issue of *The Providence* (R. I.) *Journal,* quoted Judge Francis J. McCabe of the Rhode Island Juvenile Court as saying:

"Slums don't make delinquency. Delinquent people make slums. Public housing projects don't wipe out juvenile and adult delinquency by eliminating slums. Delinquents are more plentiful in the projects, because they move into the projects from scattered areas and thereby become more concentrated."

In recent years, magazines and newspapers have featured many well-documented stories about expensive public-housing projects quickly becoming smelly tenements, with garbage and human offal littering the grounds and hallways, and the ravages of vandalism and bestial behavior visible in broken windows, defaced walls, sagging stair rails, damaged fixtures.

Government can make slum dwellers move elsewhere, but government cannot remake people. Hence, no matter how much power it usurps or how much tax money it spends, government cannot *eliminate* slums.

Legal Action Against "Slums"

Under the guise of slum-clearance, our tax money is financing a frightful amount of snobbery which injures many people. I have personally known low-income neighborhoods which were charming living areas. I knew one in particular that was occupied by colored people. Practically everyone in the neighborhood owned his own home. They were small, wooden-frame houses; but they were clean and attractive. Their principal virtue was that the people who owned them and lived in them and cared for them, loved them.

The people were proud of their neighborhood, which produced relatively little crime or delinquency; and they were astonished and hurt when the City Planning Commission, supported by federal housing authorities, declared their area "blighted." Their homes and busi-

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nesses were confiscated, and the neighborhood became a public housing project. The original home owners were not project-dwellers by nature. They went elsewhere. The project filled with tenants who quickly converted it into an eyesore and a concentration center for human flotsam and jetsam.

City governments have adequate, legal power to do something effective about a slum, if, by *slum,* one means inhabited buildings which sanitation experts can prove to be injurious to public health; or which capable engineers can prove to be dangerous to the general public.

The city can order owners to make minimum improvements necessary to public safety. If owners refuse, the city can have the work done and add the cost to the owners' tax bills. If the owners will not pay, the city can sell the places at public auction.

One astonishing argument made for tax-financed slum clearance and urban renewal is that wealthy people own much of the slum property; that they pay a very low tax on the property; and that city services which their slum properties require (police and fire protection, principally) are much greater than the services required on good properties in good neighborhoods, where tax rates must be higher in order to make up for the low tax on slums.

If all of this is so, why give the owners of slum property the special privilege of low taxes? If they get more city services than other property owners, why not make them pay more taxes? People could not then afford to own rent property which is dangerous to the public. They would either improve the property to make it comply with minimum requirements of public safety, or they would sell it — to escape the high taxes.

These legal procedures would not eliminate all buildings that liberal planners-of-other-people's-lives do not like; but they would eliminate most places that are a menace to public safety; and they would leave Americans secure in their God-given right to own property.

Greed and Cynicism

Greed and cynicism have helped urban renewal to become a national disgrace.

Many individuals support federally-financed urban renewal, knowing it is unconstitutional and wrong, because they think there is no way to stop it:

If you cannot whip them, join them. We cannot stop urban renewal, so why deny our city its share of federal money? Taxpayers in our city are helping pay for urban renewal in rival cities. Let's get some federal urban renewal money ourselves, so that taxpayers in those

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other cities will have to help pay for something we are getting. This is one way to get some of our federal tax money back.

It Can Be Stopped

Many Americans are, however, resisting urban renewal; and, in some communities they have managed to stop it. Their basic technique is simple: they use whatever means they can find to educate others in the real meaning and implications of urban renewal.

I am pleased to say that this *Report* has played a part in successful fights against urban renewal. Individuals and organizations distribute, as widely as possible in their community, issues of the *Report* (and of other publications) dealing with urban renewal. They run newspaper ads and sponsor meetings and broadcasts. In communities where this kind of educational job is adequately done, the people can stop federally-financed urban renewal.

In some communities, such educated public interest has forced city governments, before requesting federal urban renewal funds, to put the question to voters, in a referendum. Among the cities where urban renewal has been defeated by referendum vote are El Dorado, Arkansas; Fontana, Fresno, San Bernardino, San Luis Obispo, Soledad, and Stockton in California; Indianapolis, Indiana; Des Moines, Iowa; Kalamazoo, Michigan; Cape Girardeau, Missouri; Amarillo and San Antonio in Texas.

In some communities, an aroused public interest causes city officials to stop plans for federal urban renewal projects without submitting the issue to voters. In Dallas, for example, public opposition to urban renewal caused the city government to abandon plans for a project, after a federal grant for the initial survey had already been authorized.

On October 5, 1962, United States Representative Bruce Alger (Republican, Texas) inserted a thirty-eight page document in the *Congressional Record*, listing some of the cities where urban renewal has been defeated, and telling how the defeats were accomplished.

Federally-financed urban renewal can be defeated at the local level, by hard-working citizens who care. But the only way to end the whole program (and to make similar operations forever impossible) is to repeal the income tax amendment.

Take the surplus tax money away from the Washington plunderers: and most of the harmful programs of government would cease, because there would not be enough tax money to pay for them.

FOOTNOTES

(1) "Executive Order 11063; Equal Opportunity In Housing," *Federal Register*, November 24, 1962, p. 11527
(2) *Congressional Quarterly Weekly Report*, March 10, 1961, p. 403
(3) *Congressional Quarterly Weekly Report*, June 30, 1961, p. 1160
(4) *Congressional Record*, October 4, 1962, p. 20949
(5) *Communist Manifesto* by Karl Marx, Gateway Edition, 1954, p. 37
(6) *Human Events*, September 29, 1962, p. 737

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He worked as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report*.

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